

SECTION VII--FOOD SERVICE ACCOUNTING

ILLUSTRATION 3A

A LA CARTE EQUIVALENTS

Ala Carte Equivalent - contains all sales of individual food items. Equivalents are most frequently determined by dividing total sales by the amount of a full price adult meal. For example:

Total A la Carte Sales ÷ Adult Meal Price or average sale* = A la Carte Equivalent Meals

$\$100 \div \$2.00 = 50$ A la Carte meals equivalent to 50 reimbursable meals

ILLUSTRATION 3B

ALLOCATION OF COST OF FOOD SOLD BY MEAL TYPE

1.

Sales:	
Breakfasts	100
Lunches	500
A la Carte Equivalent Meals	200

Total	800
2. Standard Food Costs: At least one month's actual food costs are recorded to determine standard food costs per meal.
Breakfast \$.52, Lunches \$.72, A la Carte \$.75

Total standard cost of food sold:

(100 breakfasts x \$.52)	= \$52.00
(500 lunches x \$.72)	= \$360.00
(200 A la carte x \$.75)	= \$150.00

Total	\$562.00
3. Percentages of Standard Costs by Meal:
Breakfast \$ 52.00 divided by \$562.00 = 9.25%
Lunch \$360.00 divided by \$562.00 = 64.06%
A la Carte \$150.00 divided by \$562.00 = 26.69%
4. Total Actual Cost of Food Sold: \$590.75
(Taken from Operating Statement and includes donated food.)
5. Allocation of Total Actual Cost by Meal Type:
Breakfast 9.25% x \$590.75 = \$ 54.64
Lunch 64.06% x \$590.75 = \$378.43
A la Carte 26.69% x \$590.75 = \$157.68
6. New Standard Cost Allocation